

# Investigating extrinsic and intrinsic motivations for British university students when purchasing luxury goods

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**Abstract.** The topic of this paper is the extrinsic and intrinsic motivation of British college students to buy luxury goods. Luxury is a very popular product in today's society because people now have a gradually rich life and begin to pursue spiritual needs. However, sales of different luxury goods are so different these days, so what's influencing that? What can be done to promote their development? Therefore, this paper takes British college students as the target group to understand whether British college students pay more attention to external or internal motivation when purchasing luxury goods. This article adapted the questionnaire method to explore the college students' consumption psychology, finally finding that they pay more attention to their inner joy when buying luxury goods, not to satisfy their vanity. In addition, this paper put forward some advice for a luxury brand in future development, such as different design products according to different regions, developing the second-hand market, and creating a unique brand personality. Finally, the paper concludes and points out the limitations of the article.

**Keywords:** British; University students; luxury goods; Extrinsic; Intrinsic motivations.

## 1. Introduction

With the continuous rise of the social economy, people's living standard has changed greatly compared with the past. After meeting the basic needs of life, people begin to look for products of higher quality, such as luxury goods. According to the survey conducted by Sung et al. (2005), luxury goods' market share grew rapidly from 10% to 15% per year after 1990. Among them, the rapid growth of China's economy and the strong purchasing power of Chinese consumers lead to the consumption market of Luxury goods in China, accounting for a large part of the world market [1]

However, compared with ordinary goods, luxury goods are much more expensive, and they are not necessary for people's lives, so why do people still spend much money on luxury goods? What is the appeal of luxury goods? Many scholars have studied this issue, such as the consumption psychology of people buying luxury goods. This film's research analyzes consumers' internal and external motivation to buy luxury goods. It will study the British consumer market and college students among British consumer groups. At present, few studies are detailed to a specific region and a specific group of people. Therefore, this study will investigate British college students to understand the young British generation's motivation to purchase luxury goods. The results of this survey are conducive to the differences in the motivations of consumers of different cultural groups and age groups in purchasing luxury goods and to improving brand marketing programs in different regions.

This research is divided into four parts. First, through the literature analysis of consumers' internal and external consumption motivation to buy luxury goods and the consumption motivation of different age groups, understand the motivation of Chinese consumers and consumers of different age groups to buy luxury goods. Secondly, the research data will be collected by questionnaire survey. Finally, the collected data will be processed and analyzed, problems will be raised, the causes of problems will be analyzed, and the final summary will be made.

## 2. Literature Review

Both intrinsic and extrinsic motivation comes from motivation theory [2]. For the human body, intrinsic motivation is reflected in the psychological pleasure brought after doing something; extrinsic motivation is more dependent on external praise [3].

Some consumers' motivation to buy luxury goods comes from the psychology of conspicuous consumption. Bagwell and Bernheim (1996) have found that people with a good economic foundation like to establish and display their social status by consuming noble and famous things. It is a direct and effective way to bring high prestige to them because luxury goods often have a bright logo on them, which can be easily recognized by people [4].

At the same time, people's self-esteem also affects people's purchase of luxury goods. Truong and McColl (2011) studied consumer behavior and showed that self-esteem is closely related to self-demand, and people's self-esteem can be improved by purchasing luxuries. Therefore, some buy luxuries to show their social status and satisfy their self-esteem. These two kinds of consumption psychology belong to extrinsic motivation.

However, in addition to these consumers who buy luxury goods through extrinsic motivation, some buy luxury goods to pursue product quality and self-enjoyment. Luxury brands tend to have lower risks of internal and external failures in the production of goods than other ordinary brands, such as material processing problems and sales accidents [4]. The biggest characteristic of luxury brands is the pursuit of high-quality and excellent products [2]. At the same time, Dubois et al. (2001) also found in a questionnaire on luxury consumption motivation that many interviewees also took the high quality of luxury goods as their attraction. Besides, Consumers' need for self-reward also influences their purchase of luxury goods, known as hedonic motivation [2]. For example, many people who are not rich will still save their expenses in other places to buy luxury goods to satisfy their inner pleasure and encourage themselves, which is intrinsic motivation.

In addition, consumers' motivations are also influenced by different cultures. Wong and Ahuvia (1998) believed that the consumption psychology of Asian people was generally influenced by Confucian culture. The most obvious was that Chinese people tended to love luxuries more than westerners. The reason is that Chinese people pay more attention to the external demand in their life. To go further, they care more about the symbolic value of luxury goods than the enjoyment value of luxury goods [5].

Furthermore, the motivation to spend also changes with age. According to the study by Schade et al. (2016), adolescents aged 16-25 gradually begin to care about their social status; Young people aged 26 to 39 have a greater need for self-affirmation and a greater desire for attention from others in society. Middle-aged people aged 46-59 are usually in a stable social position and are not interested in the need to show off. It can be seen that people aged 16 to 39 are more inclined to buy luxury goods externally, while people over 40 tend to buy luxury goods internally.

According to the above literature analysis, most Chinese people and young people buy luxury goods to demonstrate their social status and satisfy their self-esteem. The consumption motivation mostly comes from the external environment. However, the research gap still exists in this investigation. Most surveys focus on Chinese or Asian consumers, but do Westerners have different attitudes towards luxury purchases? There is a gap in this question. Therefore, this study will fill this research gap by looking at the consumer market in the UK and will survey UK university students to investigate whether they prefer extrinsic or intrinsic motivations when purchasing luxury goods.

### **3. Method**

#### **3.1 Survey**

Since this survey is about consumers' psychological motivation and people's subjective thoughts are often collected, qualitative research will be adopted. A questionnaire survey will be chosen as the survey method of this study. At the same time, literature research will also be used in combination.

#### **3.2 Randomization**

The randomization method used in this survey was simple randomization. In order to ensure that the sample group of this survey can effectively reflect the whole consumer group, the consumer group of this time will choose 30 British college students, and they must have certain economic ability,

enough money to buy luxuries, and own more than one luxury product. They will then be handed out and filled out with the same questionnaire.

### 3.3 Variables

The independent variables of this survey are external motivation and internal motivation. The dependent variable of this survey is consumers' attitudes towards purchasing luxury goods. Likert's 5-point scale: 1 = completely disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = completely agree, will be used to measure whether people prefer external or internal motivation when buying luxury goods. On a scale of 1 to 5, a lower score indicates more internal motivation, while a higher score indicates more external motivation.

### 3.4 Step

The investigation steps are as follows: Firstly, a questionnaire is designed, divided into seven questions. Firstly, they are asked about gender, then they are asked about their motivation to buy luxuries, and finally, they are asked how often they buy luxuries. Then, these questionnaires were then sent to 30 respondents and returned within a specified time. Finally, the collected answers are counted to observe whether they prefer external or internal motivation and then draw a conclusion based on the survey results of some online scholars.

The questions in the questionnaire are as follows:

1. What is your gender?
2. Do you like buying luxury goods?
3. Do you buy luxury goods to satisfy your ego?
4. Do you buy luxury goods to satisfy your social status?
5. Do you value quality when buying luxury goods?
6. To what extent do you buy luxury goods for your pleasure?
7. How often do you buy luxury goods?

## 4. Results

After the questionnaire is collected, the data results of each question will be automatically generated by the "Questionnaire Star" system. Of the 30 random respondents, 17 were men and 13 were women. Regarding the degree of liking to buy luxury goods, 26.67% answered 5 points, and 56.67% answered 4 points, indicating that all the people in this survey like luxury goods. On the question that luxury goods are purchased for vanity, 36.67 percent answered 2, and 30 percent answered 3. 96.67% of respondents chose 1-3 points for buying luxury goods for social status. On the contrary, when asked whether they care about quality when buying luxury goods, 27 people scored at least 3 points. At the same time, 53.33% of people pay great attention to self-pleasure when buying luxuries.

It can be seen from this series of questionnaires that most British college students pay more attention to their pleasure and product quality when buying luxury goods, which belong to internal motivation.

However, Europe's luxury market lags far behind that of the US and China. Even though Europe is home to the big luxury brands, they have become secondary consumers. Luxury brands should make corresponding strategies to change this situation and increase the market share of luxury goods in Europe.

According to the questionnaire, it can be seen that British college students do not pursue status and self-esteem like Chinese people and buy luxury goods. They are more concerned about their inners. Therefore, luxury brands should redesign products in different regions. For example, the same clothing can be made into European and Asian versions. According to the consumer psychology of Chinese people, the Asian version of clothing can be made with conspicuous logos and some

flamboyant styles; The European version of the clothes can be relatively low-key, simple in design, and focused on quality.

At the same time, second-hand luxury markets can develop in countries such as Asia. Second-hand market prices are often lower, but you can also buy some brand goods. In this way, some families without sufficient economic foundation can also buy luxuries to improve their status. This strategy will be welcomed in Asian countries because they are influenced by Confucianism and pay more attention to the external view of society. Therefore, they may buy luxuries in the secondary market for self-respect if they do not have enough money.

In addition to the influence of consumer motivation, the external environment can also change the consumer market for luxury goods. Today's internet is growing rapidly, and people are using it to replace many of the things they used to do in reality, such as online shopping and online communication. The average brand is doing very well in online marketing, most of whom are doing so online. However, luxury brands do not do as well as regular brands in terms of online marketing and e-platforms. They should improve their official website and add some new content. Evidence suggests that one of the biggest catalysts for European consumers to re-engage with luxury is the continued digital transformation of shopping habits, a great way to re-introduce European consumers to luxury [6]. Over the past ten months, surveys have found that consumers are increasingly willing to buy higher-priced items online. Luxury brands can adopt the live-streaming model now in vogue to engage customers by transforming shop salespeople into digital salespeople, creating a one-to-one relationship with customers, and making them emotionally attached to the brand. At the same time, it attracts new customers by making it easier for consumers who previously couldn't or didn't want to browse in brick-and-mortar shops packed with tourists to engage with luxury brands.

## 5. Discussion

According to the survey results, most luxury brands have not segmented their customers. Knowing your customers is one of the most important factors for a luxury brand to succeed. Not everyone is willing to spend £ 2,000 on a bag or can afford it. Therefore, luxury goods should develop different products according to different customers' psychology and needs. Each luxury brand should establish detailed customer profiles, such as the consumption range they are usually willing to bear. Where do they like to shop? What are their hobbies? What are their personalities? After classifying the different customer markets, the brand will change the attributes of the products according to their preferences and strive to meet their needs.

The visual element is not negligible. This is as true for Chinese consumers as it is for British consumers. The visual element is often the first element to attract customers; their later impression of the brand depends on it. Since it is a luxury product, it must make a luxurious feeling in the design of the product. At the same time, the cover of the physical store and website can also be made into a unified style, leaving a pleasant and comfortable shopping experience for customers. However, every brand needs to have its unique stand, and you don't need to post pictures of luxury yachts or private jets to convey luxury. While this might have appealed to many people a few years ago, now, especially in the UK or some European countries, they have reduced the extrinsic motivation for luxury goods, which is useless to them. By creating a brand story of their own that highlights what your business is all about and what deep history it has, brands can personalize the experience for customers and make them feel special when they leave.

Brands can also attract customers by creating exclusivity. For example, Chanel and Hermes' products are often available through waiting and reservation. Other brands are not as expensive as Hermes, but they can turn their top-selling products into pre-order items. Relative scarcity can create an insatiable demand for a particular product, and people will always be attracted to rare things. It is natural, regardless of internal or external motives, so that this way can be used worldwide.

Moreover, Luxury brands should assume more social responsibilities. Most consumers are more likely to spend money on experiences than "things" when purchasing. They also have a corresponding

psychological sense of social responsibility. They need to know clearly where everything comes from and what it is made of. Many luxury goods now depend on natural resources; unfortunately, these resources are limited. Such as precious stones, gold, and animal fur. If a luxury brand wants to be responsible for society, it must change this environmentally unfriendly behavior, stop using limited natural resources, and become sustainable. When they do this, customers will understand their intentions, especially in European countries, and may pay more attention to this aspect.

## 6. Conclusion

### 6.1 Findings

First, this paper introduces consumers' extrinsic and intrinsic motivation in purchasing luxury goods through a literature review. Extrinsic motivation often comes from conspicuous consumption psychology and is influenced by people's self-esteem. Intrinsic motivation is the pursuit of product quality and inner enjoyment. At the same time, consumers' psychology is also influenced by different cultures and different ages. Secondly, the methodology section explains that the investigation method adopted in this paper combines questionnaire and literature research. The questionnaire design process was also listed in detail, and 30 British university students were recruited to complete it. After collecting the answers and analyzing the results, it can be seen that British college students pay more attention to their pleasure and product quality when buying luxury goods, which is the intrinsic motivation.

Based on this answer, the paper makes the following suggestions: Luxury goods should make different designs and changes for products in different regions, and make different products and pricing according to consumers' different psychology and needs; The second-hand luxury market can develop in countries such as Asia; Change the marketing methods of luxury brands and increase Internet marketing; The visual elements of the brand should not be ignored, and the visual experience of the brand should be improved to attract customers; Moreover, brands can attract customers by creating exclusivity and sustainability.

### 6.2 Limitations

The research and investigation in this paper can effectively fill the research gap in the purchasing motivation of European consumers for luxury goods. At the same time, this paper also gives suggestions on the future development strategy of luxury goods, especially in the European market. However, this research paper also has limitations. For example, the number of people surveyed in this questionnaire is only 30, so the sample size is too small to represent British college students' consumer psychology accurately. This problem will be corrected in the future further investigation to be more comprehensive and perfect.

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